



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, Washington 98101

MAR 28 1997

Reply To:

Attn Of: OAQ-107

3/28/97

Randy Poteet	Alison Cook
BP Exploration (Alaska) Inc.	ARCO Alaska, Inc.
PO Box 196612	PO Box 100360
Anchorage, Alaska 99519-5111	Anchorage, Alaska 99510-0360

Re: Request for Administrative Revisions to PSD
Permits for Prudhoe Bay Facilities

Dear Mr. Poteet and Ms. Cook:

ARCO Alaska Inc. (AAI) and BP Exploration (Alaska) Inc. (BPX) requested administrative revisions to four federally issued prevention of significant deterioration (PSD) permits: PSD-X79-05, PSD-X80-09, PSD-X81-01, and PSD-X81-13 between 1978 and 1981. In preparation for Alaska Department of Environmental Conservation (ADEC) Title V permits, the companies became aware that a number of issues needed to be addressed and resolved by EPA prior to their Title V permit submittal.

To address your first concern, you requested that EPA remove the annual ton per year emission limitations from each of the four PSD permits. Based on a review on the information presented, EPA concurs that the ton per year limits are not necessary to demonstrate compliance with the national ambient air quality standards (NAAQS) and PSD increments. Originally, the ton per year emission limits were crafted for facility and area-wide emission caps, rather than unit-specific emission limits, to allow flexibility in the purchase of various sized equipment and to promote emissions trading within the drilling areas. However, permits are now issued to each individual facility negating the previous practice. EPA, therefore, can remove the annual emission limits and replace them with unit-specific emission limits which ensure protection of the NAAQS and PSD increments. In order to accomplish this, AAI and BPX must propose unit specific mass emission limits for the emission units covered by each of the four PSD permits which are consistent with emission rates upon which the original PSD approvals, or subsequently approved modifications, were based.

To address your second concern, you requested that the hydrocarbon emission limitation in PSD-X79-05 be removed, because the national ambient air quality standard for that pollutant no longer exists. On February 8, 1979, EPA revoked the hydrocarbon standard and revised the ozone standard found in §50.9(44 FR 8220). The PSD permit (PSD-X79-05), however, is still required to include conditions necessary to implement a BACT performance-based standard for VOC emissions and ensure that the ozone NAAQS is met. Therefore, we are converting the hydrocarbon limit to a VOC limit of 0.05 lb/MMBtu.

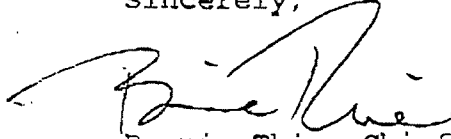
To address your third concern, you requested that each emission limitation which was based on an AP-42 emission factor for turbines and heaters reflect the most recently revised AP-42 factor. As more data and new information became available, AP-42 emission factors have been corrected and up-dated. In light of the methodology used to establish the original emission limitations, EPA agrees that the limits can be updated to reflect the latest AP-42 emission factors. However, as discussed below, EPA will need to receive from AAI and BPX a comparison of the revised mass emission limits for the units constructed with the original permitted limits.

Because the emission limitations are based on AP-42 emission factors and the use of pipeline quality natural gas and good combustion practice (which was determined to be BACT for these units) rather than a specific control technology, AAI and BPX expressed a concern regarding how to demonstrate compliance within the context of Title V operating permits and the Credible Evidence rulemaking. For Title V purposes, compliance with the emission limitations can be demonstrated, and certified, based on the use of pipeline quality natural gas and good combustion practices. There is no need to directly measure emission to demonstrate compliance unless the units are not using pipeline quality natural gas or fail to use good combustion practice. Please keep in mind that the ADEC may still request a source test to determine good combustion practice and/or determine compliance with the NSPS requirements.

If any of these permit changes would result in an increase in the permitted emissions over that which is currently permitted, then additional public comment may be required in accordance with the PSD regulations. However, if AAI and BPX can demonstrate that the changes in AP-42 emission factors will not result in an increase in allowable emissions, then additional public participation will not be required.

EPA is prepared to expeditiously revise the four permits when we receive the proposed unit-specific emission limits and the assessment of changes in permitted emissions, if any, that would result from using the most recent AP-42 emission factors. If you have any questions, please feel free to contact Raymond Nye of my staff at (206) 553-4226.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Bonnie Thie', is written over the typed name.

Bonnie Thie, Chief
Alaska/Washington Air Unit

cc: Al Bohn, ADEC
J. Pavitt, AOO-A